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Comptroller

29 March 1951

Assistant Director for Research and Reports

Functions of O/RR

1. The Office of Research and Reports carries forward two functions formerly the responsibility of the Office of Reports and Estimates. These are the coordinating and publishing responsibility for the NIS series and the coordinating, producing, and servicing responsibilities of geographic intelligence as a service of common concern. Both of these functions are running along smoothly and require only relatively minor increases in personnel to enable them to carry on their responsibilities as these are affected by valid requests and decisions in other parts of CIA or in other parts of the Government.

2. In the case of the Geographic Intelligence Division, it may be necessary to request a considerable augmentation in personnel at some future date, but this will depend on arrangements for the Division to have access to material not now received by the Division.

3. The main function of O/RR is one that has not previously been performed in the United States Government. This is the conduct of authoritative basic research into economic factors affecting the national security with particular emphasis on the economy of the Soviet orbit. In the past, the Government has depended on broad generalizations and estimates of economic factors which were prepared on the basis of limited evidence and ad hoc analysis. It is the mission of O/RR to find all of the facts available and submit them to exhaustive analysis in order to arrive at the firmest possible conclusion. In many cases we will be limited by the nature of the evidence to a discovery of the extent of probable error in our estimates, but this will still be a far firmer basis than the Government has had in the past for its decisions involving economic factors. This work of digging out the facts will in many cases involve elaborate fitting together of many small fragments of information in order to arrive at a single aggregate figure. Such an approach consumes both time and personnel, but is essential at this time because of the importance of the economic capabilities of the Soviet orbit vis-a-vis the non-Soviet world and our inability to obtain these data by more conventional methods.

4. In addition to the establishment of authoritative data, this Office will also coordinate the work of other agencies of the Government engaged in economic research insofar as their work touches on intelligence that affects the interests of national security. As a result of action assigned to CIA by NSC 282 this Office has already laid the groundwork for its coordinating role. It is our intention that this coordination shall be dynamic, that we shall know at all times the nature of the research work in progress elsewhere, the relative capabilities of the other agencies, and can count on effective concerted action by all agencies for the solution of the most pressing intelligence problems in the economic field.

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5. Since the creation of the Office of National Estimates a number of problems have been posed to O/RR that will require serious and extensive studies to be based on the authoritative data assembled here. Examples of these problems are:

a. The extent to which the USSR could offset United States counter-attacks by occupying Western Europe and exploiting its economy.

b. The strategic vulnerability of the Soviet Far East.

These are problems influenced primarily by economic factors that must be studied in detail if the Office of National Estimates is to prepare estimates with any assurance as to the facts underlying their conclusions.

MAX F. MILLIKAN

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29 March 1951

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